

Arizona Public School Credit Enhancement Eligibility Board

October 9, 2020

1 OFFICE OF THE GOVERNOR



Agenda Item II

Acknowledgment of July 24, 2020 Minutes



Board Discussion and Possible Action



Review and Action of Application #16 Legacy Traditional Schools

Legacy Traditional Schools

- **\$45.0 million** in proposed financing.
 - **\$14.5 million** to purchase a new campus in Deer Valley.
 - **\$14.5 million** to purchase a new campus in Mesa.
 - **\$14.5 million** to purchase a new campus in East Tucson.
 - **\$1.5 million** for costs associated with issuance and startup.

Total Request



Legacy Traditional Schools

- LTS meets the Board criteria for conditional approval for credit enhancement.
- LTS was approved by the Board as an Achievement District School at the October 21, 2019 meeting and continues to meet the criteria for eligibility.
- S&P assessed LTS's underlying rating as BB+ in October 2020¹.
- Based on S&P's rating medians for charter schools, LTS enrollment levels are in line with higher-rated charter schools and LTS waitlists as a percentage of enrollment are below similarly rated school.

¹LTS is expected to receive a BB+ underlying rating from S&P this month, though at the time this presentation was prepared the published report is not yet available. Previously, in November 2019, LTS received an underlying of Ba2 from Moody's.

Eligibility for Credit Enhancement



Legacy Traditional Schools

If approved as submitted, **12.9%** of the program's total capacity will be used to enhance this financing, bringing total program capacity to **80.0%**

Impact on Credit Enhancement Program



Legacy Traditional Schools

The following three options are available for the Board to consider regarding LTS's application to the Public School Credit Enhancement Program:

1. Approval of credit enhancement for the full amount of the proposed financing of \$45.0 million.
2. Approval of credit enhancement for an amount that is less than the full amount of the proposed financing.
3. Denial of credit enhancement for any portion of the proposed financing.

Recommendation





Arizona Credit Enhancement Board Meeting

October 9, 2020



LEGACY
TRADITIONAL SCHOOL

Leading the way since 2007



Mission

Our mission is to provide motivated students with the opportunity to achieve academic excellence in an accelerated, back-to-basics, safe learning environment taught by caring, knowledgeable, and highly effective educators in cooperation with supportive, involved parents.

- Founded in 2007 with one campus in Maricopa, Arizona.
- Today there are **20 campuses** (17 in Arizona and 3 in Las Vegas) serving over **23,000 students**.
- Rigorous and well-rounded educational program emphasizing all areas of academic study, including the arts, physical education, athletics, and extracurricular activities.
- For 2018-19, **75%** of Legacy Traditional Schools in Arizona received an **A rating**.
- Legacy Traditional Schools have outperformed Arizona state testing averages every year since its inception.
- Parents voted Legacy Traditional Schools the **#1 Charter School** in Arizona six years in a row in *Ranking Arizona*.

Network Highlights

Legacy Traditional Schools

In 2019, Legacy Traditional Schools received more **A-Ratings** than any K-8 charter school in Arizona.

Legacy Traditional Schools have **outperformed** Arizona state testing averages every year since inception.

Legacy Traditional School - Avondale campus was the **highest scoring** charter school in Arizona in 2016/17.

Parents voted Legacy Traditional Schools the **#1 Charter School** in Arizona for six consecutive years in *Ranking Arizona*.

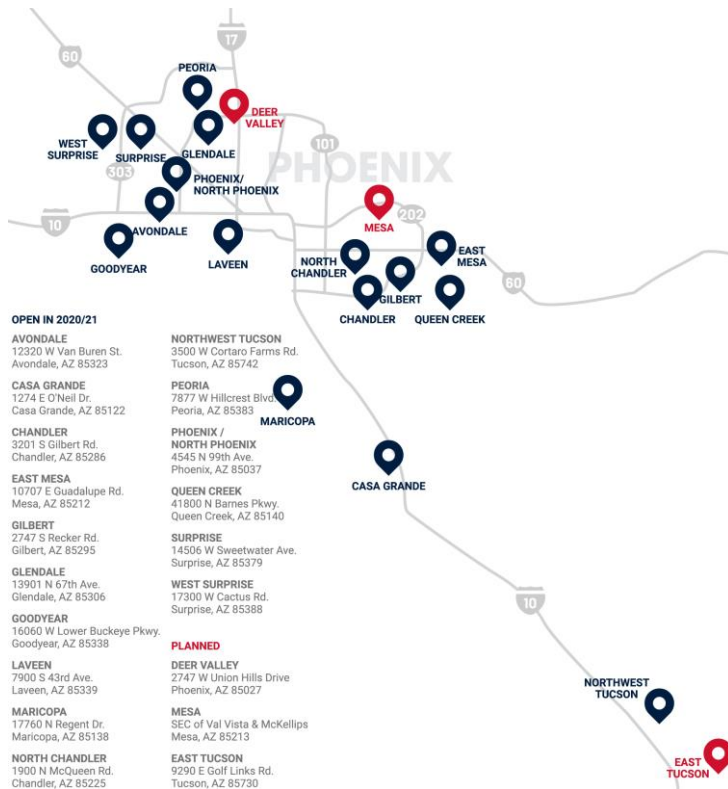
Legacy is currently rated in the top 27 percent of **all Arizona schools** in 2018/19.

In 2019, Legacy's **11,189 "A" rated seats** comprise **23.8%** of all "A rated" K-8 charter seats in Arizona.

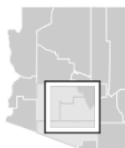


Locations

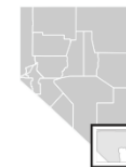
Legacy Traditional serves students across Arizona and Las Vegas.



ARIZONA



NEVADA



Legacy 101: The Keys to Our Success



Back-to-Basics

A strong foundation in reading, writing, spelling, and mathematics is essential.

That doesn't mean technology isn't part of the experience. It is!



Direct Instruction and Positive Discipline

Students learn primarily from their teachers who are trained as subject matter experts.

Through positive discipline appropriate behavior is publicly praised, creating an uplifting learning environment.



Citizenship and Values

The Standards of Citizenship curriculum teaches citizenship, responsibility, loyalty, and service.

Every morning begins with flag ceremony to encourage citizenship and enhance school unity, and spirit.



Well-Rounded Education

Students participate in the Mozart performing arts program and in the Momentum fitness program.

In addition, students can choose to participate in numerous extracurricular activities including sports and clubs.



Facilities

Legacy prides itself on providing top-notch facilities, including spacious classrooms, full-service kitchens and cafeterias, indoor basketball courts, piano labs, libraries, and computer rooms.

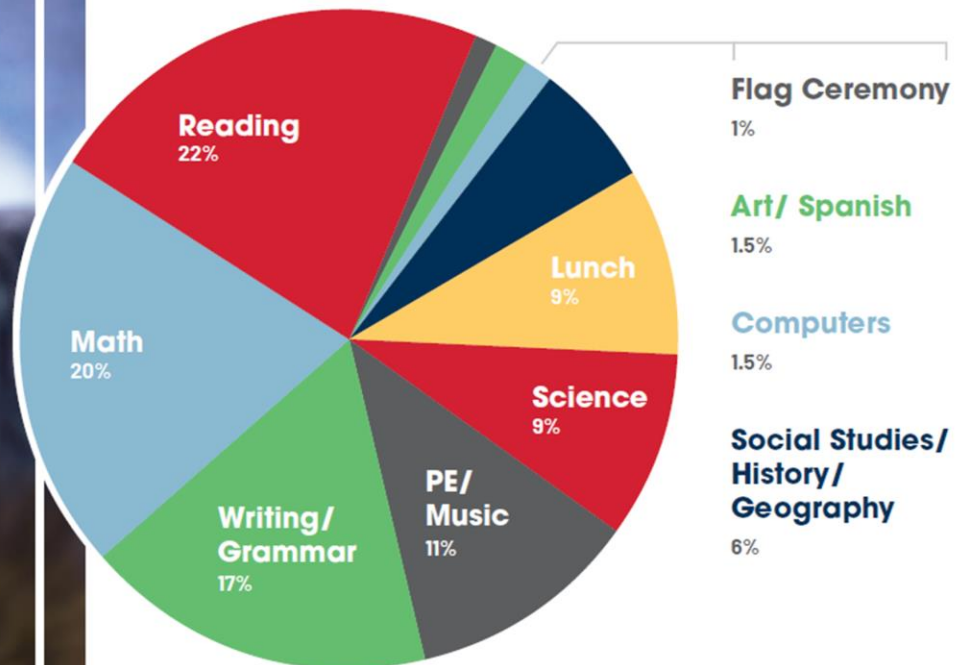


A Day at Legacy



A Day at Legacy

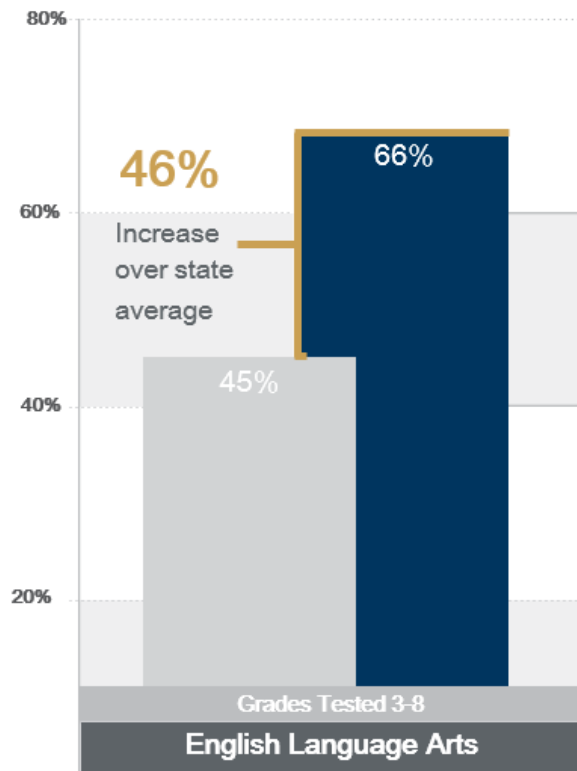
Our goal as educators is to prepare our students to live successful lives and become fully engaged citizens. The Legacy Traditional Schools' Academic team consciously designed an educational structure that works toward subject-matter mastery and exposes students to the arts, music and sports. This chart depicts the average time a student might spend focusing on various subjects during a Legacy Traditional School day.



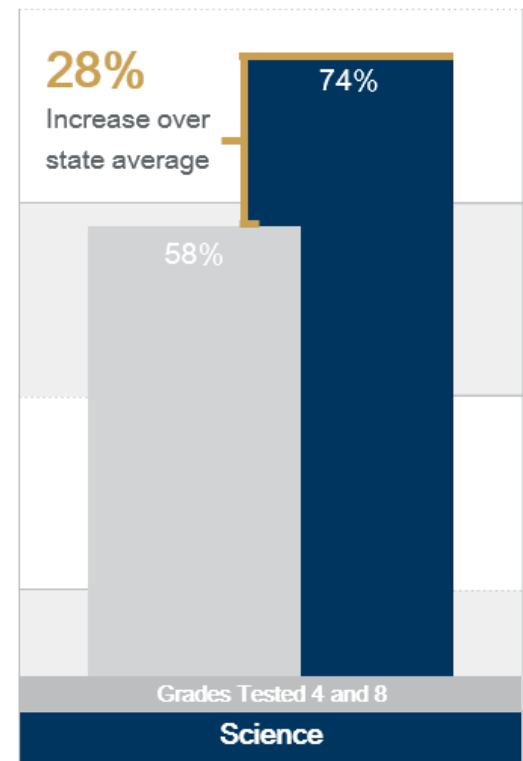
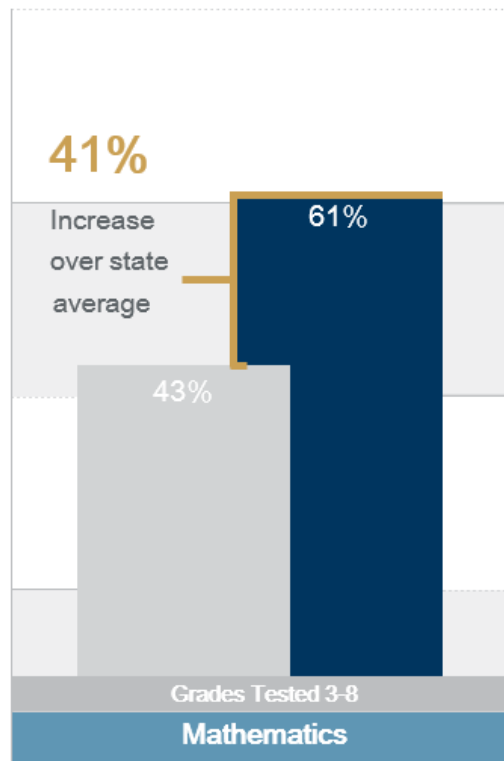
Strong Academic Results

Outperforming State Averages on AzMerit testing

■ Legacy Traditional Schools ■ AZ State Averages



Percentage of students that demonstrate proficiency.

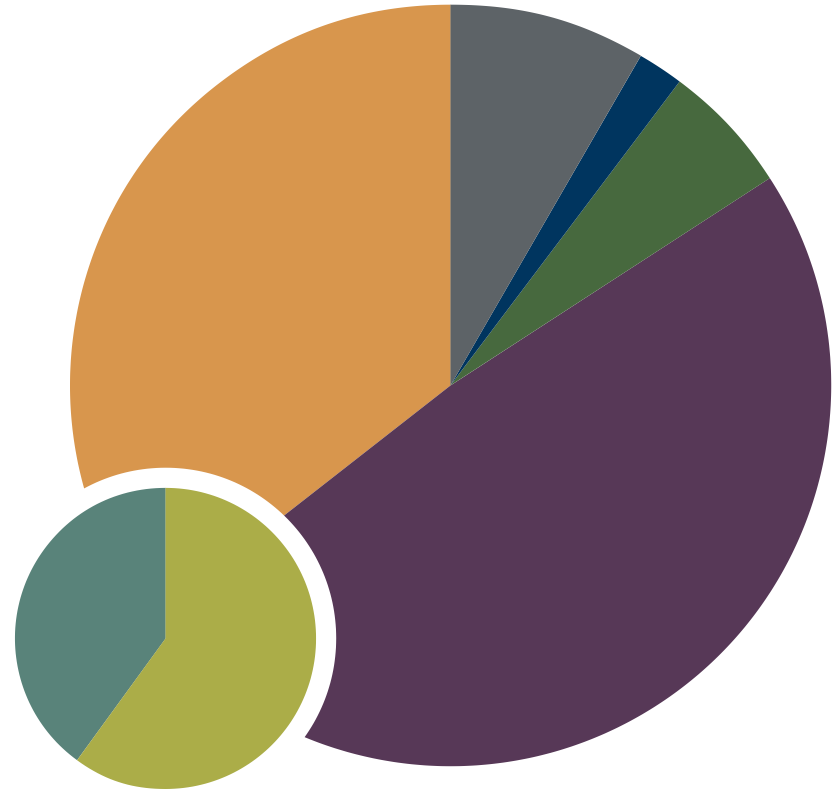


Strong Diversity

Network Demographics

Legacy Traditional Schools is a culturally diverse network.

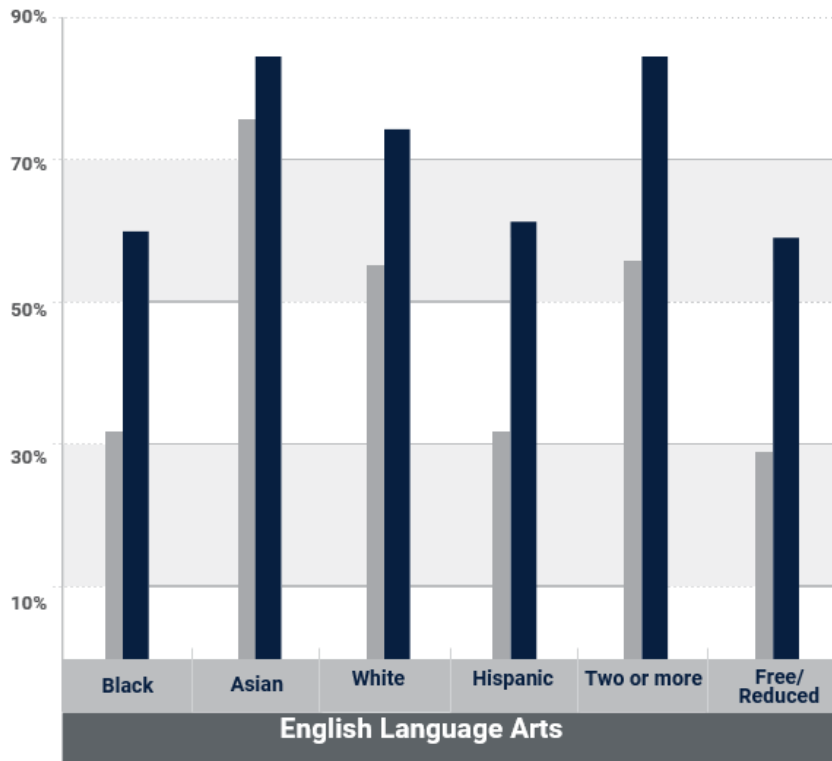
	NETWORK
Black	8.6%
American Indian, Hawaiian, or or Alaskan Native	1.8%
Asian	5.6%
White	48.5%
Hispanic	35.5%
Free & Reduced Lunch	36%
Non-Free & Reduced Lunch	64%



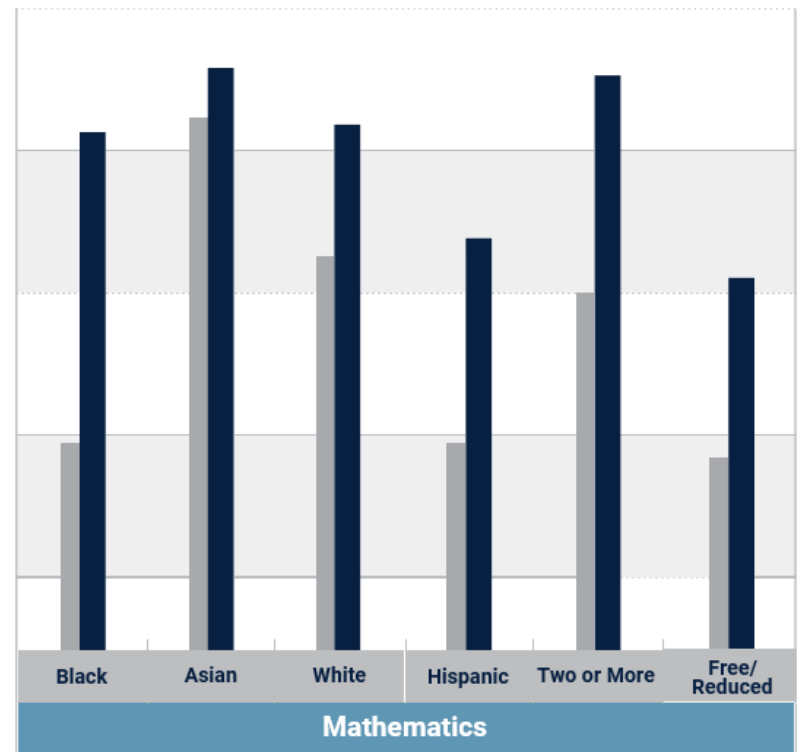
Legacy Students Shine

Sub-Groups Outperform in 2018/19

■ AZ State Averages ■ Legacy Traditional Schools



Percentage of students that demonstrate proficiency.



Proposed Enhancement

Projects proposed for credit enhancement are summarized as follows:

Deer Valley campus	\$14,498,421
East Tucson campus	\$14,804,495
Mesa campus	<u>\$14,497,084</u>
Total	<u>\$43,800,000</u>

Net savings from credit enhancement on interest costs total \$19,176,936 over 35 years, or \$11,135,302 at estimated present value.

Credit Enhancement Benefits

The CEB's investment supports Legacy's future and quality education in Arizona

1,800 Added Seats

- **LTS Deer Valley** provides **600 new seats** in a fast growing area
- **LTS Mesa** provides **600 new seats** in a new area for LTS
- **LTS East Tucson** provides **600 new seats** in a favorable competitive landscape

Teacher Pay and Financial Stability

Credit enhancement savings supports Legacy's efforts to:

- Provide teacher salaries among the highest in the state
- Provide outstanding facilities for students at a lower cost
- Maintain financial stability for the schools
- Grow smart

Continued Student Enrichment

Supports Legacy vision of positively impacting the education of every student, including outside the classroom:

- Legacy athletes took part in 2,000 games/meets.
- Legacy's budding thespians performed in **16 school plays**.
- Students performed in **288 musical performances**.

Renderings – Deer Valley



Online Learning

Meeting students where they are.



Online Learning



The screenshot shows a web browser window with the address bar displaying "legacytraditional.org/online/". The website header features the Legacy Traditional Schools logo on the left and navigation links: "FIND YOUR SCHOOL", "ENROLL NOW", "TAKE A TOUR", "CAREERS", and "CONTACT". Below the header, there are four main menu items: "Why Legacy?", "Programs & Curriculum", "Parent Resources", and "Legacy News". The main content area is split into two parts. On the left, a photograph shows a person with long dark hair using a laptop. On the right, a dark blue box contains the text "Remote Learning" in a large white serif font, followed by the subtitle "Schools may be closed, but our education continues" in a smaller white sans-serif font. Below this, a grey banner reads "Current Legacy Families: Parent Resources | COVID-19 Updates". At the bottom of the page, the heading "Legacy Traditional – Remote Learning" is centered, followed by a horizontal line and a paragraph: "We are committed to doing our part to keep students on track academically. As a school network,".

K-8 Remote Learning | Legacy T x +

legacytraditional.org/online/

LEGACY
TRADITIONAL SCHOOLS

FIND YOUR SCHOOL ENROLL NOW TAKE A TOUR CAREERS CONTACT

Why Legacy? ▾ Programs & Curriculum ▾ Parent Resources ▾ Legacy News

Remote Learning

Schools may be closed, but our education continues

Current Legacy Families: [Parent Resources](#) | [COVID-19 Updates](#)

Legacy Traditional – Remote Learning

We are committed to doing our part to keep students on track academically. As a school network,

— Online Learning

Arizona Program Selection

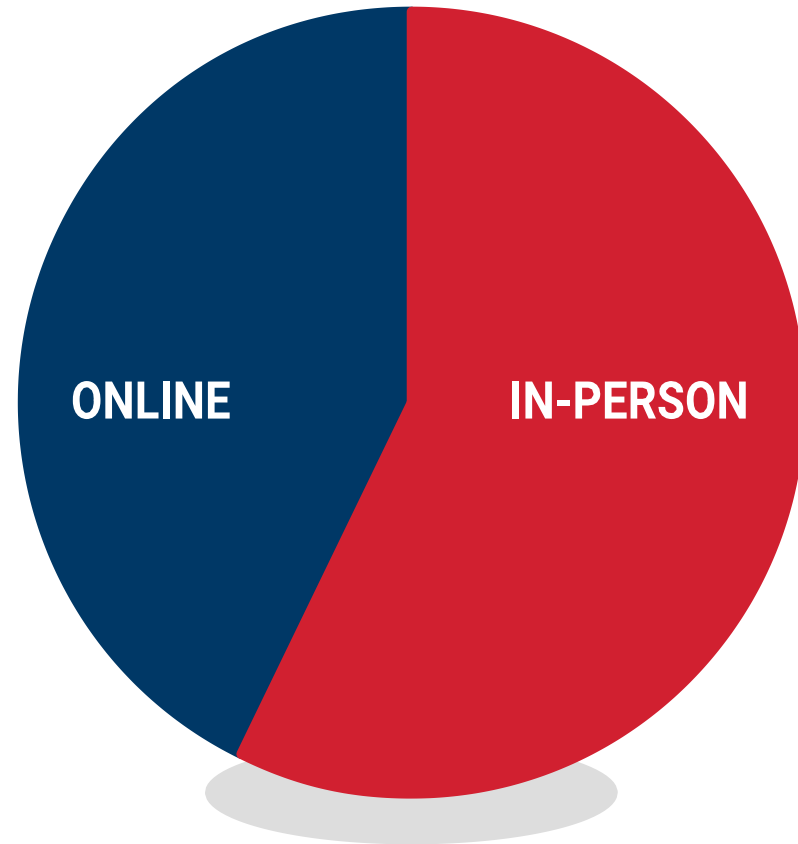
As of September 8, 2020

In-person

59.2% — 11,287
students

Online

40.8% — 7,767 students



Public Comment



Adjourn

